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Farm Broadcasters Letter



Letter No. 2216

June 6, 1985

EXPORT FORECAST AT \$33.5 BILLION

U.S. farm product exports in fiscal 1985 are projected at \$33.5 billion, down one billion from the March estimate, and 12 pct. below fiscal 1984's \$38 billion. U.S. Department of Agriculture forecasts the export volume at 137 million tons. This represents a 4-pct. decline from the March estimate and a slightly larger decline from last year. Increased production in both importing and exporting countries this year is providing formidable competition for U.S. grains and oilseeds exports. New competitors this year include China and India

U.S. AG IMPORT FORECAST

U.S. agricultural imports are still forecasts at \$19.5 billion, slightly above the fiscal 1984 record, according to the U.S. Department of Agriculture. The agricultural trade balance is thus forecast at \$14 billion in surplus, down from last year's \$19.1 billion surplus. The above forecasts do not take into account the recently announced Export Enhancement Program.

U.S. EXPORTS TO S.E. ASIA

In fiscal 1985, U.S. agricultural exports to Southeast Asia are expected to drop to \$950 million, 21 pct. under 1984, according to the U.S. Department of Agriculture. Reasons include generally good harvests in S.E. Asia, slower regional economic growth, strong competition, currency devaluations in the Philippines and Thailand, and conservative import policies, particularly in Indonesia. Exports will be lower for U.S. grains, cotton, soybeans, and soybean meal. These general conditions are likely to prevail again in 1986. (For more information, call J. Albert Evans, (202-447-8229).)

FY 1985- USSR

The value of U.S. farm exports to the Soviet Union may reach \$2.8 billion in 1985, climbing to a record for the second fiscal year in a row, according to the U.S. Department of Agriculture. Shipments of U.S. grain are expected to exceed 1979's record 15.5 million tons. Corn shipments to the USSR are expected to more than double, producing the single most notable volume gain for all U.S. farm exports this year. Wheat exports will probably be lower than last year's just reaching the minimum in the U.S. -USSR Grain Agreement.

FY 1985 -
W. EUROPE

U.S. agricultural exports to Western Europe are expected to fall to \$7.6 billion in 1985, according to the U.S. Department of Agriculture. This is 6 pct. below the Feb. forecast and the lowest value in 8 years. Record crops in these countries and relatively weak demand will push U.S. export volumes below 1984's depressed levels. Prices will also be lower, further reducing value. Grain exports to W. Europe are expected to fall from 11 million tons to 8.3 million. The EC may become a net exporter of feed grains. U.S. feed grains will also be displaced by record feed use of EC wheat, estimated at 25 million tons this year.

FY 1985 -
JAPAN

Agricultural exports to Japan drop 12 pct. from a record \$6.9 billion in 1984, according to the U.S. Department of Agriculture. Sluggish demand for feeds, competition from other exporters, and lower prices are contributing factors. Competition from China has reduced Japan's expected U.S. corn purchases. Larger U.S. sorghum exports have only partially made up the difference and feed grain exports are expected to fall from last year's record 15.7 tons. Soybean exports are not likely to exceed 1984's low 4.2 million tons.

FY 1985 -
COURSE GRAIN
EXPORTS

U.S. coarse grain exports in total are forecast to decline in in FY 1985 to \$7.3 billion and 58.3 million tons, according to the U.S. Department of Agriculture. This is despite the substantial increase in coarse grain exports to the Soviet. While the current year's export volume is expected to exceed the previous season's figure by more than 2.7 million tons, lower unit values will likely cut about \$1 billion from the value of FY 1985 shipments. Much of this reduction is due to lower anticipated coarse grain export because of intense foreign competition from China and the European Community.

ECONOMIC GROWTH:
WORLD & U.S.

World economic growth this year will likely be a little slower than 1984's 4.1 percent, according to the U.S. Department of Agriculture. The U.S. will expand at approximately half of last year's 6.8 percent rate. With the exception of the U.S., the highest growth rates last year stemmed from increased exports. Economic expansion will slow in Japan, Brazil, and other countries that benefited from surging U.S. imports. The total volume of world trade is expected to increase, but not at 1984's 9 pct. rate. GNP growth for developed countries as a whole will be lower. Tight fiscal and monetary policies are expected to continue in Japan and Europe.

AG PRICES
RECEIVED

The May All Farm Products Index of Prices Received by Farmers decreased 2 points (1.5 pct.) from April to 129 pct. of its Jan.-Dec. 1977 average, according to the U.S. Department of Agriculture. Lower prices for tomatoes, cattle, wheat, milk and soybeans were partially offset by higher prices for oranges, onions, hay, lettuce and potatoes. The index was 16 points (11 pct.) below a year ago.

FROM OUR
TELEVISION
SERVICE

CHINA'S AGRICULTURE...USDA economist Carolyn Whitton offers a brief overview of China, and why this country is now experiencing rapid growth in agricultural production. DeBoria Janifer interviews. (396)

CURRENT AGRICULTURAL OUTLOOK...USDA economist Herb Moses examines the agricultural situation and outlook for 1985, including the outlook for cattle, hog and poultry production as well as feed grains, cotton and soybeans. Vic Powell interviews. (397)

AQUACULTURE EXPORTS...USDA analyst Dale Miller focuses on test aquaculture or "fish-farming" and why it's becoming one of the fastest growing kinds of agriculture around today. DeBoria Janifer interviews. (398)

OVERSEAS AGRICULTURAL TRADE OFFICER...Robert Mannion, with USDA's Foreign Agricultural Service talks about the importance of having agricultural trade officers overseas to increase U.S. exports. DeBoria Janifer interviews. (399)

CULTIVATION INCREASES CROP YIELDS...John Siemens, University of Illinois, describes research work being conducted in Illinois to increase corn and soybean yields through cultivation techniques. Gary Beaumont interviews. (400)

FY 1985 -
WHEAT EXPORTS

U.S. wheat and flour exports during FY 1985 are currently estimated at \$5.5 billion, down 7 pct. from the March estimate of \$5.9 billion, according to the U.S. Department of Agriculture. The forecast of wheat flour export volume was reduced to 35.8 million tons, down 2.6 million tons from the previous projection. The year-to-year decline reflects weak world demand as well as increased competition from Argentina, the European Community and India, which has traditionally been a net importer of wheat.

CATTLE TO CHINA
OUT OF QUARANTINE

The fourth shipment of breeding cattle from the U.S. to China has been released from quarantine, increasing the potential for opening further markets for American farmers, according to the U.S. Department of Agriculture. Since Jan. 12, about 1,200 heads of cattle have been shipped on seven flights to China. Three shipments are still in quarantine there. The Chinese are also interested in breeding swine and three Chinese teams are in the U.S. to do the selecting. been

INTEREST RATE
8-3/4

Commodity loans disbursed in June by the U.S. Department of Agriculture's Commodity Credit Corporation will carry an 8-3/4 percent interest rate, down from 9-3/8.

OFF MIKE

Jim Fleming is now with WEIC, Charleston, IL. He filled the position vacated by Natalie Dowell when she went to work with Sherry Newell (WJON/WWJO, st. Cloud, MN). Jim had worked for awhile with Jack Stower (WDZ/WDZQ, Decatur, IL)...

Ron Arp is newly graduated from University of Nebraska with a B.S. degree in agricultural economics and agricultural broadcasting journalism. He's looking for a job. His phone number is 402-435-6386. He served as correspondent in Lincoln for Rich Hawkins (KRVN, Lexington, NB) for two years.

We just received a letter from Greg Silver (Radio/TV, The Penn State Un., University Park, PA). Here's what Greg said, "One of the disadvantages of word processors is that it becomes very easy to write a letter...save it to disc...and then forget to print it. His "saved" letter was written in mid-March.

He finally realized what happened and rewrote the letter a month later...Thanks to Layne Beaty we now know that

Rudy Dockray is at KTEN-TV, Ada, OK. He had been with KXII-TV, licensed to Ardmore, OK, but with the main studios in Sherman, TX. Layne's aunt in Oklahoma sent him a full-page ad announcing Rudy's move. Impressive...Sometime back we invited you to send us literature about your station's (or network's) farm broadcasting efforts and it paid off. We received a packet from Randy Weiseman KAOL, Carrollton, MO, which include a printed photo. As he put it, "The printer didn't do justice to my picture. But, then again, I've been told it looks better!" We'll reserve judgement until we see Randy in person.

FROM OUR RADIO
SERVICE

AGRICULTURE USA 1462...Can the trade conflicts between the U.S. and the European Community be solved without an all out Agriculture trade war? George Holmes explores the delicate relationship between the U.S. and EC.

AGRITAPE/FARM PROGRAM REPORT #1451...USDA news highlights; Helping developing nations with food production; First "export bonus" deal announced; Bee mite restrictions lifted; The state of the U.S. rice industry.

CONSUMER TIME #944...Food/Health Linkups; Buying fresh seafood; Preparing fresh seafood; Housework dollar values; Low-fat diets and blood pressure.

USDA RADIO NEWS SERVICE...Wed, June 12, Foreign Ag. Trade of the U.S., Friday June 14, Sugar Situation, U.S. Milk Production World Tobacco Situation; Monday June 17, Ag. Outlook Report. June 18, Crop and Weather Update; Wed June 19, Catfish Production; Thur, June 20, World Agriculture Outlook; Friday June 21, Cattle on Feed, Hog and Pigs. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. EDT each working day.



JAMES L. JOHNSON, Chief
Radio and Television Division